



DCMC Integrated Management System

**Group Leaders' Conference
December 12, 1996**

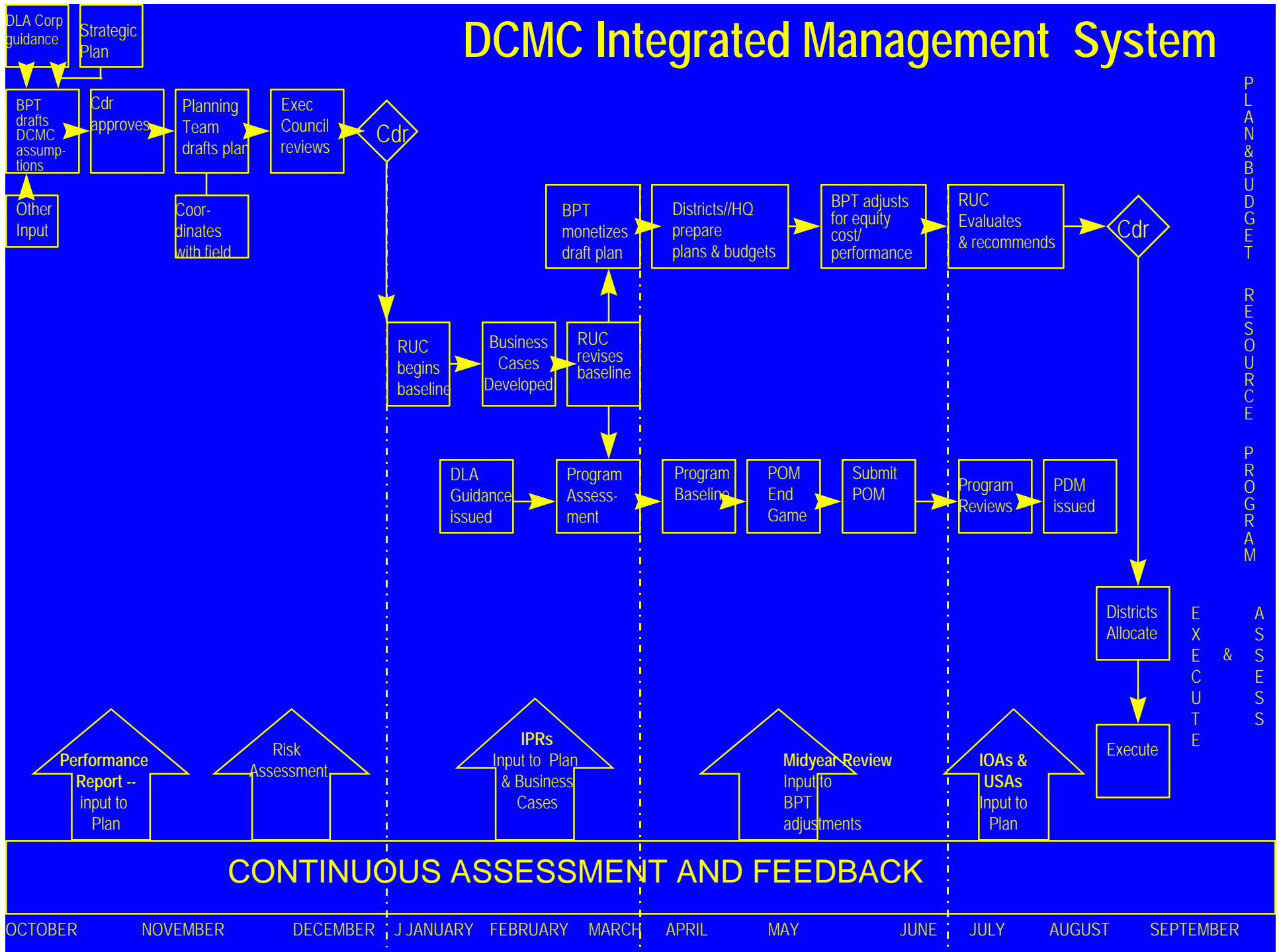


Overview

- **Integrated Management System**
 - **Resource Utilization Process**
 - **Strategic Planning Process**
 - **Program Objectives Memorandum (POM)**
 - **Working Capital Fund**
 - **FY 97 Budget**

- **Summary**

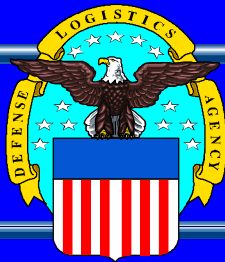
DCMC Integrated Management System



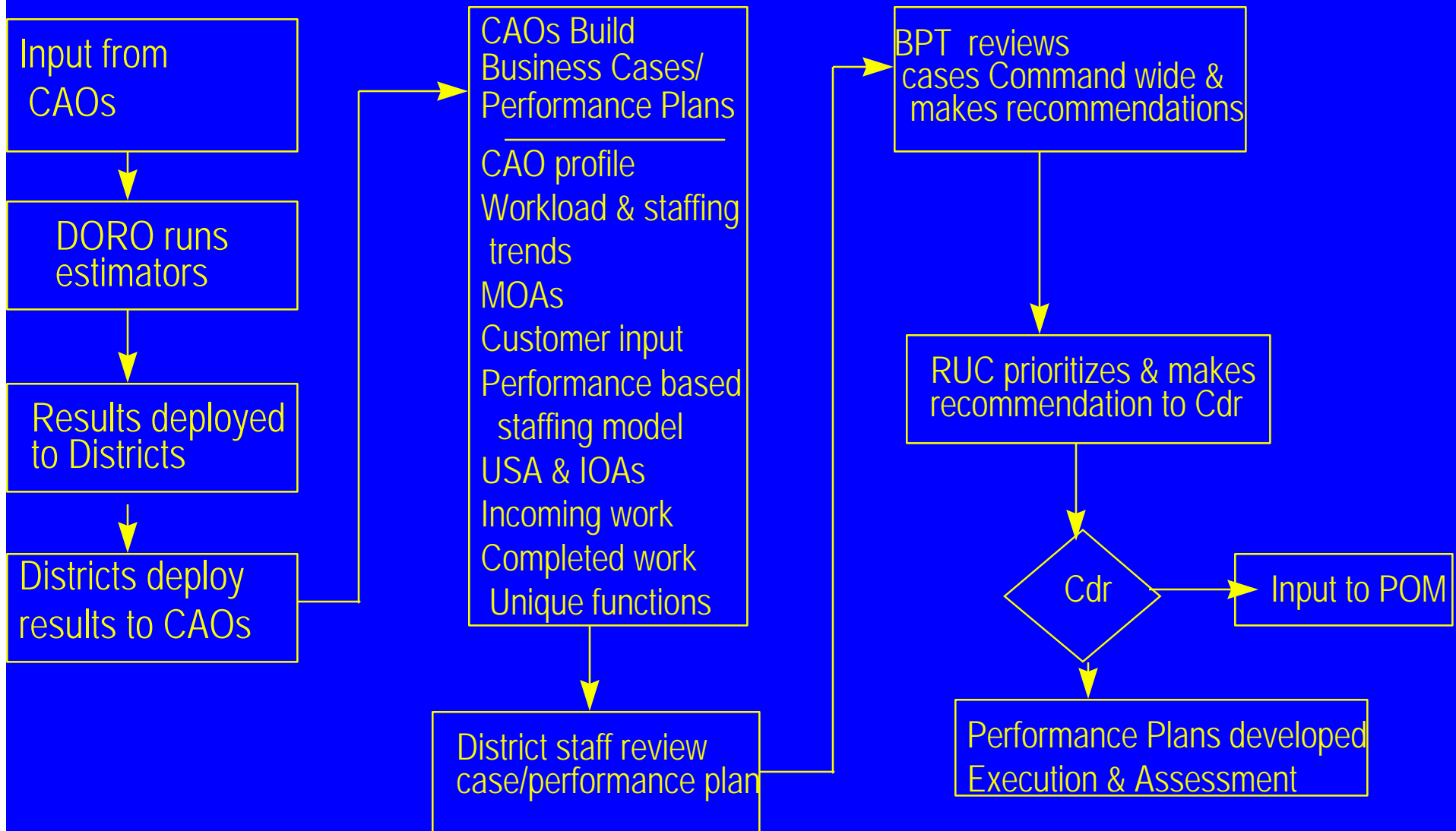


Resource Utilization

- All resourcing decisions flow through the Resource Utilization Council (RUC)
- RUC sets CAO resource levels through 2003
- FY97 baseline established
- Baseline may be revised based on Performance plan negotiations and changes in workload
- Results of performance based staffing model are part of CAO business case submitted to RUC



Resource Utilization





Concept of Operations

- **Resource Utilization Council:** Executive Director, Operational Assessment and Programming, Chairman; Associate Director, Executive Director, Contract Mgt Policy; Executive Director, Program Integration; District Commanders; Chief, AQBA serves as executive secretary; FO and AFGE representatives participate.
- **Business Process Team:** Sponsored by AQB. Headed by Chief, AQBA. Core members are key staff members of AQBA; AQO representative; Directors of District Planning and Resource Management Directorate, and Operations Directorates; FO representative
 - **The Planning Team is a subteam:** Headed by AQBA Planner. Members include AQBA budgeter, AQO representative, FO representative, District planners, District budgeteers



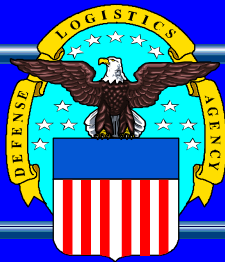
Resource Utilization Council

- **Business Process Team Taskings:**
- **Map out and institutionalize PPBS processes**
- **Review CAO business cases & make recommendations to RUC**
- **Develop DBOF concept for DCMC**
- **Baseline district staffing**
- **Negotiate performance plans/budget**
- **Recommend staffing targets FY98-03 for CAOs**
- **Support the development of the DCMC Strategic Plan**

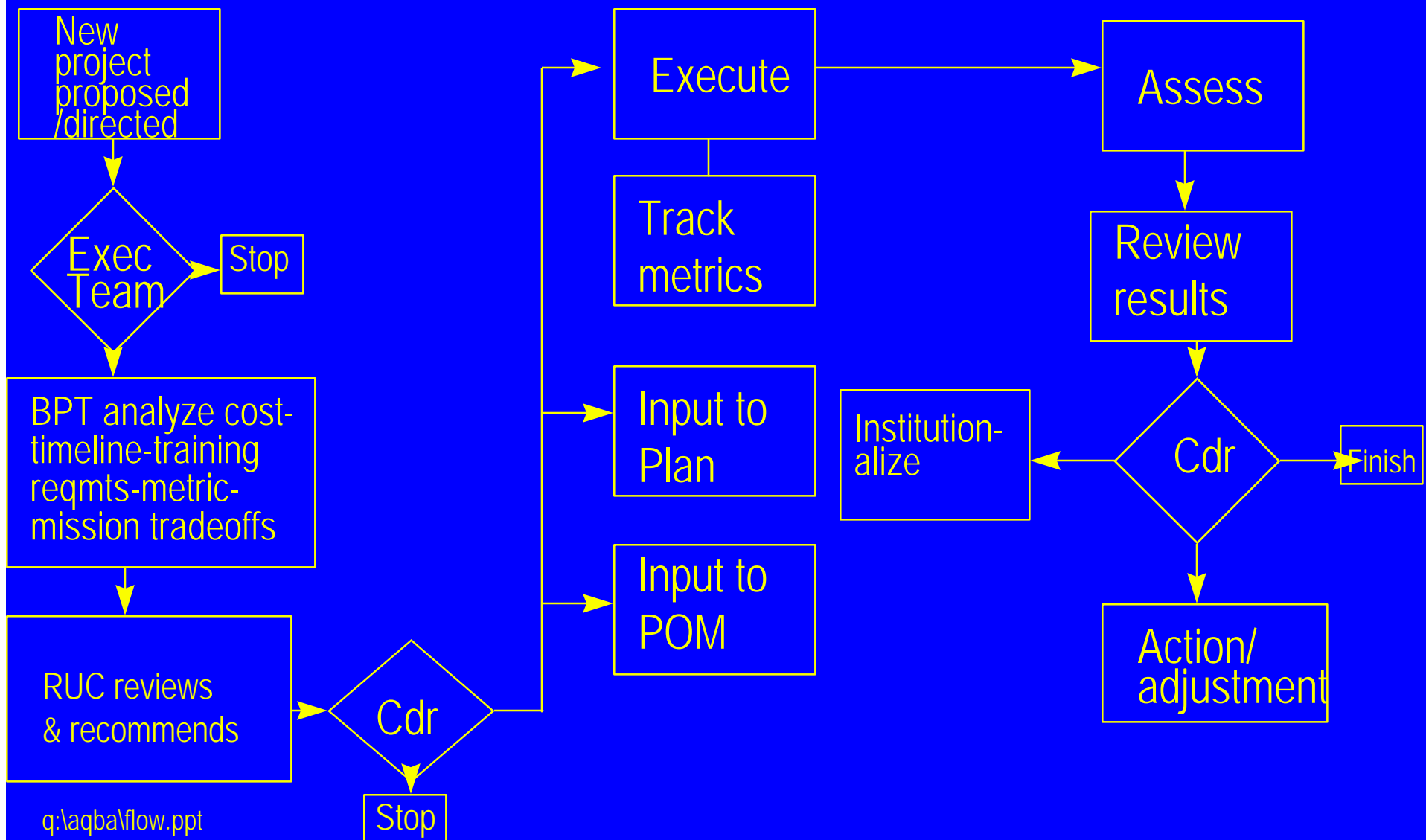


Projects/Initiatives

- **Resource impact of new initiatives is assessed up front within the RUC**
- **Initiatives are input to plan, budget, & metrics**
- **Results of initiatives are tracked**
- **Decision points to institutionalize or terminate initiatives**



Projects/Initiatives





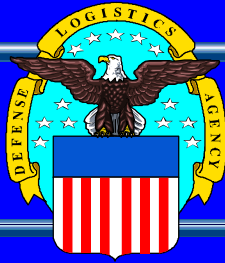
Strategic Planning Process

- **Purpose:**
 - To facilitate long-range planning within DCMC
 - To establish a DCMC strategic plan
- Strategic plan will form basis for FY 98 DCMC business plan
- Strategic plan will communicate the Command's mission, vision, and strategic goals to DCMC customers



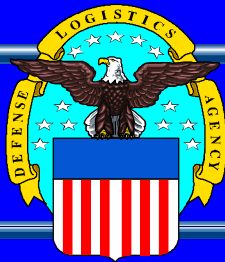
Strategic Planning Process

- Network with Industry and Government/validate process
- Identify issues/present to Executive Council
- Describe environment, develop vision, mission, and strategic goals
- Draft strategic plan
- Staff/finalize plan
- Approve strategic plan
- Implement plan/evaluate and improve



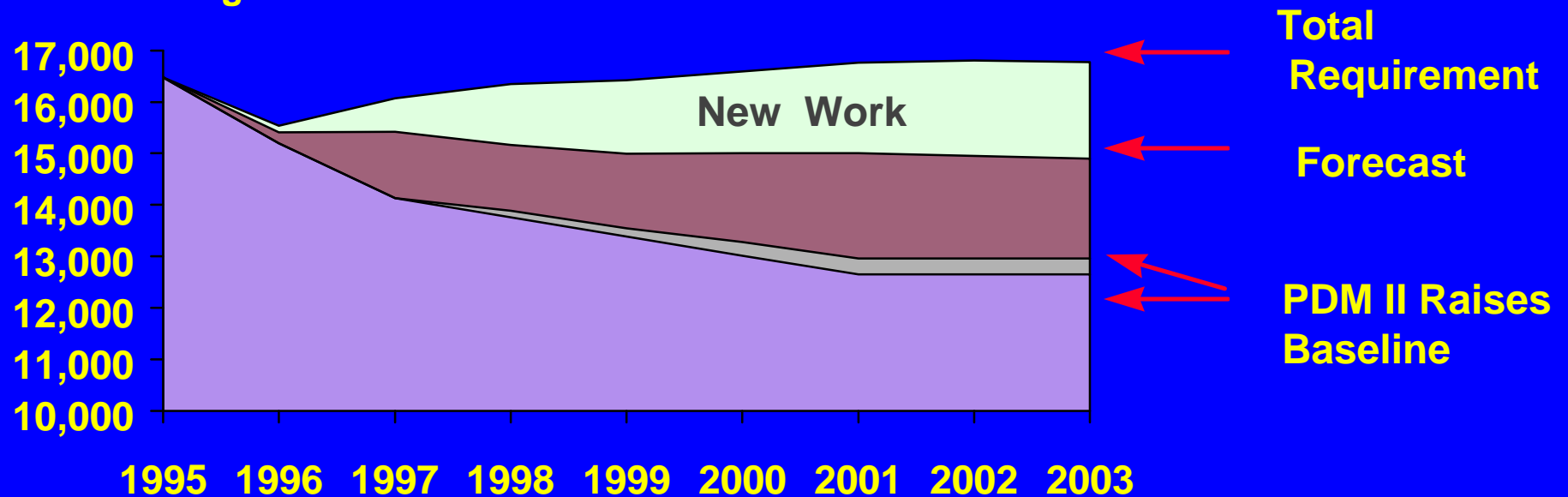
Program Objectives Memorandum

- Long-term resourcing plan for the Command
- Trade offs made within DLA in “End Game”
- Unfunded issues addressed by OSD in program reviews
- Results issued in Program Decision Memoranda
- Revisions to business plan, budget, and resource decisions



DCMC Resource Requirement

Endstrengths



	1995	1996	1997	1998	1999	2000	2001	2002	2003
Baseline	16,478	15,204	14,136	13,765	13,384	13,017	12,647	12,647	12,647
PDM II				126	159	263	314	314	314
Forecast	16,478	15,414	15,418	15,167	14,999	15,011	15,009	14,952	14,905
New Work		131	660	1,183	1,421	1,587	1,753	1,859	1,874
Total	16,478	15,545	16,078	16,350	16,420	16,598	16,762	16,811	16,779



Program Decision Memorandum II

- Adds \$106 M and 314 staffing to DCMC FY98-03
- “Add resources to accommodate increased workload resulting from privatization of military installations, consolidation of program office functions and increased acquisition reform support.”
- USD(A&T) will conduct a study of DCMC to identify functions which may be funded by DBOF--15 Dec 96
- The study should also indicate how to ensure that any new functions taken on BY DCMC are fully resourced



Working Capital Fund

- **New challenge for FY 97**
- **Performance Goal 3.1.4 in plan**
- **Plan to implement Working Capital Fund funding in DCMC developed and being executed**
- **PDM II directed A&T to conduct study of DCMC and Working Capital Fund implementation**



OSD Study Team Charter

- **A&T will, by December 15, provide to the Deputy Secretary a study of DCMC organization, functions, and resources. The study should identify core operations of direct interest to DoD, functions outside core mission that it has inherited over time, and functions which may appropriately be funded through Working Capital Fund. The study should also indicate the means through which A&T will ensure that any new functions taken on by DCMC are fully resourced.**



DCMC Working Capital Fund Team

- **Composed of HQ and Field professionals**
- **Met October 23-25 to develop criteria to identify Working Capital Fund candidates**
 - **Developed methodology**
 - **Created first cut candidates list**
 - **Approach currently under senior staff review**



What's the DCMC Team Charter?

- **Big Picture: Provide smart functional support to OSD team**
- **Steer the OSD team toward a well-reasoned, implementable, and customer focused solution**
- **Initial deliverable:**
 - **Smart definition of functional groups**
 - **Breakdown of current functions into the groups**
 - **Order of magnitude data**
 - **Analysis of drivers of functions (law, regs, smart business practice, etc..)**
 - **Implementation plan**



FY 97 DCMC Budget

Assumptions:

- Full execution of FTEs
- \$49.1M Congressional reduction taken
- Additional EOB withhold of \$9.7M possible
- Work to spread reduction to all DLA
- Focus on mission performance
- Some performance plan goals cannot be funded to full performance
- Continue to attack Corporate costs



FY 97 DCMC Budget

➤ Methodologies:

- Starting point sets aside \$49.1M for Congressional cut and \$9.7M management withhold
- Performance budgets
- Traditional (object class) budgets
- Make reductions in non-labor levels
- Firm fixed requirements funded
- Labor based on consistent computation of AAR
- Identify shortfalls and prioritize funding options



FY 97 DCMC Budget

Non-labor reductions:

- * Reduced travel 30%
- * Reduced purchased services 30% (hold software training to FY 96 levels)
- * Reduced transportation portion of PCS 20%
- * Reduced equipment to cover fixed costs
- * ADP base support - meets DLA goal of 10% reduction

Labor reductions:

- * Set overtime at .75% of basic labor
- * Set PCS at 1% of FTEs
- * Funded majority of FY 97 VSIP losses with year end FY 96 funds



Summary

- **Integrated Management System making significant progress**
- **Resource Utilization process focuses on full execution of DCMC resources**
- **Strategic Planning process underway**
- **PDM II is good news for DCMC**
- **Preparations for Working Capital Fund**
- **FY 97 budget is constrained--reductions necessary**